

April 22, 2005

FROM: James A. Moore, P.E.
Assistant Director of Project Development

SUBJECT: **CONGESTION MITIGATION AND AIR QUALITY FUNDS
2005-2006 PROJECT SELECTION PROCESS**

TO: Regional Planning Directors
District Engineers

This memorandum describes the 2005-2006 project selection process for the use of Congestion Mitigation and Air Quality funds and supplies some information relative to eligible projects.

BACKGROUND

The Federal Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) provided funds for a Congestion Mitigation and Air Quality (CMAQ) Improvement Program. The 1998 Transportation Equity Act for the 21st Century (TEA-21) continued the CMAQ Program. We assume the next authorization of federal transportation funds for the period covering 2006 through 2011 will continue the Congestion Mitigation and Air Quality (CMAQ) program. The federal share is a maximum eighty percent (80%), and the required match is twenty percent (20%). This match, with few exceptions, must be a hard match; the applicant must supply the match in dollars. This program in New Hampshire amounts to about \$8.5 million federal dollars per year.

The CMAQ program is primarily intended for air quality improvement in non-attainment areas. (See attachment for the map.) Past Federal guidance for CMAQ has allowed for expenditure of a small portion of funds for eligible categories for outside of the nonattainment area. Projects are selected in cooperation with regional planning agencies and transit operators.

ELIGIBLE PROJECTS

Eligible projects or programs for the use of CMAQ funds include those that are likely to contribute to the attainment of national ambient air quality standards. Eligibility categories for funding under this category are as follows:

Alternative "Clean" Fuels: For CMAQ purposes an "alternative" fuel must reduce emissions to be eligible. These fuels can include natural gas, ethanol, methanol, electricity, hydrogen, biodiesel and liquefied propane gas. Under TEA-21, eligibility can even extend to private companies.

Demand Management: Employer trip reduction programs, transportation management plans, flexible work schedule programs, vehicle restriction programs, etc.

Education and outreach: To increase public knowledge of transportation related emissions and opportunities to reduce them.

Extreme cold start programs.

Highway/Road: Traffic flow improvements, signalization projects, intersection improvements, and construction or dedication of HOV lanes, ITS efforts, etc.

Inspection/Maintenance Programs (I/M) and Traffic Control Measures (TCMs) (not covered by the above categories).

Other Shared-Ride: Vanpool and carpool programs, and parking for shared-ride services, etc.

Pedestrian/Bicycle: Sidewalks, trails, storage facilities, promotional activities, etc.

Transit: Construction, equipment or operating expenses for new and improved services for a maximum of three years, and parking for transit services, etc.

Although the projects in any of the above categories are eligible, past projects selected have shown that the CMAQ Advisory Committee favors projects with higher air quality benefits.

For a more detailed guidance on the CMAQ eligibility criteria, please refer to the web site address <http://www.fhwa.dot.gov/environment/cmaq/eligblty.htm>.

For projects to be eligible for the use of CMAQ funds it is required that the project has a positive impact on air quality. An analysis of air quality benefits is required as part of the application (see item # 11 of the application). It must be kept in mind that a project should show a decrease in all pollutants assessed; a project which shows a decrease in VOC but an increase in NO_x will have to be examined very carefully to insure that there is a net decrease in pollutants. Based on previous years' experience, the regional planning commissions and the CMAQ Advisory Committee (CMAQAC) did not appear to have any difficulty in distinguishing between projects having a positive impact on air quality and those that were neutral or had a negative impact.

APPLICATION

A copy of the application for CMAQ funds is attached. The following are guidelines to assist applicants filling out the application form. The following numbers correspond to the numbers on the application:

1. Applicant Name and Address: The applicants' complete name (or name of organization/agency) and address must be included.
2. Name, Address, and Telephone Number of Contact Person: The complete name and address for the contact person is very important to facilitate addressing questions about the project. The applicant should also indicate during what hours he/she could be contacted at the telephone number listed.
3. Sponsoring Regional Planning Commission: Identify the regional planning commission within whose jurisdiction this project is located. The regional planning commission will attach its comments and recommendations on the project when submitting the application to the CMAQ Advisory Committee (CMAQAC).
4. Project Location: A map of the project location must be included with the application.
5. Is the Project located in a non-attainment area? Please refer to map for boundaries.
6. Eligibility Category: Which of the CMAQ eligible categories does this project fall under? See Pages 1 and 2 for categories. Please contact your RPC for assistance.
7. Project Description: It is important to present as much detail on the project as is possible. Describe the project limits, its location, and the purpose of the project as it relates to congestion and/or air quality issues.
8. Municipal Management of Projects: Communities should manage their projects. Projects that are managed by the municipality allow for decision-making and communication at the local level, and may occur in a more expeditious manner as the municipality can control the schedule of project development. Please review the following documents available for reference: "Manual for Development of CMAQ/TE Projects" (<http://webster.state.nh.us/dot/municipalhighways/tecmaq/pdf/dot%20manual.pdf>) and the "Citizens Guide to Transportation Series: Congestion Mitigation and Air Quality" (<http://webster.state.nh.us/dot/transportationplanning/pdf/CitizensGuide-CongestionMitigation.pdf>).
9. Purpose and Need of the Project: Discuss the purpose and the need for the project, referencing any supporting plans or documentation as available. For example: The purpose of the project is to relieve congestion at the intersection of X and Y streets. The

need for this project is demonstrated by the fact that the current level of service at this intersection is F and there are a significant number of accidents at this site.

10. This question applies to Transportation Control Measure (TCM) type projects or to mandated programs such as Inspection/Maintenance (I/M) programs.
11. Is the project identified in any State or regional plan or a corridor study? If yes, please explain.
12. Items 12a-12f deal with both qualitative and quantitative issues involved in assessing the impacts of the project on congestion and air quality. The NHDOT encourages the regional planning commissions to be as thorough as possible in calculating air quality benefits. Applicants will be required to submit appropriate documentation to develop the analysis at the RPC. RPCs are encouraged to coordinate proposed air quality analysis issues with NHDES and NHDOT as early in the process as possible.
13. Project Duration: What is the life of the project (in years) for anticipated air quality benefits.
14. Seasonal Impact: Levels of ozone are dependent on time of the year and meteorological conditions. It is important that this question be answered as completely as possible.
15. Matching Funds: The applicant must supply the matching funds for the project. This match, with few exceptions, must be a hard match i.e. the applicant must supply the match in dollars. The applicant should supply a letter of committal to supply the funds. A description must be given of how the applicant intends to raise the money (Town Meeting, private donations, fund-raising activities, etc.). It is important that the applicant show the amount of matching funds (20% minimum) and the source of those funds.
16. Name of the agency that will be managing the design and construction the project.
17. Operation and/or Maintenance Costs: Certain projects such as new transit operations are eligible for operation subsidies for up to a three-year period. In addition, some projects may have maintenance features that should be included. A clear description of these costs needs to be included. The applicant should indicate who will maintain the project once it is completed.
18. Please provide the status of your previously approved CMAQ projects.
19. Project Budget Summary: Attach supplementary budget details. RPCs are encouraged to review the cost estimates and consult with NHDOT as appropriate.
 - a. Planning / Design / Engineering: Since all projects that are finally selected will be treated as any other federal aid highway project, it is necessary to estimate the cost of designing the project to NHDOT or other acceptable professional

standards. The design must include the study and documentation of impacts to environmental and historical resources.

- b. Right-of-Way: Unless the project can be accomplished wholly within the right-of-way owned by the applicant, a cost of acquiring the right-of-way, at fair market value should be included.
 - c. Construction: Communities municipally managing a project should follow a competitive bid process, as is the case with the Department of Transportation. (It is important that realistic costs of construction be developed including environmental protection costs, safety protection costs, inspection costs, etc. If it happens that a project estimate is not accurate, the project scope may have to be reduced or the project delayed or eliminated.)
 - d. Operating Costs/Maintenance Costs: If applicable these costs must be included.
 - e. The applicant must break down the sources of funding. For example, although each project is eligible for funding up to 80% of the cost using CMAQ funds a smaller share of federal funding can be sought.
20. Continued Costs of Operation: Applicants applying for operational subsidies, for up to three years, for projects such as new transit routes must demonstrate that they are capable of continued operation once the subsidy is removed.

PROJECT SELECTION PROCESS

The following will be the 2005-2006 Selection Process for Congestion Mitigation and Air Quality projects:

1. **May 1, 2005** - The Regional Planning Commissions will notify the municipalities within their jurisdiction that applications are available at their offices. The NHDOT will similarly notify other state agencies and will prepare a press release for publication in several newspapers.
2. **Mid May, 2005** - RPCs, NHDOT and NHDES to meet to discuss potential applications for potential regional projects.
3. **August 1, 2005** - Applications must be submitted to the appropriate Regional Planning Commissions by July 31, 2005. This also applies to applicants from the private sector such as transit operators and/or private non-profit organizations.

If the project spans more than one regional planning commission, such as a bus route, copies of the application must be sent to each affected planning commission. If the

applicant is a State agency and the project is a specific site then the application must be sent to the Regional Planning Commission in which the site is located. As is often the case, state agency applications involve programs covering more than one municipality and/or region. In these cases, copies of the application must be sent to all affected Regional Planning Commissions.

4. **Mid August, 2005** - Air Quality analyses coordination meeting.
5. The Regional Planning Commissions will screen all of the applications under their individual jurisdiction. This screening should include making sure the form is complete, the cost estimates are realistic, that the project is eligible for funding under CMAQ, and that the air quality analysis is complete and accurate. RPC's are required to check appropriate eligibility categories as well. RPCs will send **Seven copies** of each of the screened applications along with comments and recommendations to the NHDOT by **October 14, 2005**.
6. All technical comments and requests for additional information to be sent to the RPCs by **December 15, 2005**.
7. Each Regional Planning Commission will correct any errors or omissions to applications discovered by the NHDOT/ FHWA/ FTA /NHDES review process. Twenty (20) copies of each application (including corrected applications) must be received by New Hampshire Department of Transportation by **January 15, 2006**.
8. NHDOT will submit all applications to the Congestion Mitigation and Air Quality Advisory Committee (CMAQAC) by **January 31, 2006**.
9. During the month of **February 2006**, the CMAQAC will meet to discuss the applications and hold a public hearing.
10. During the month of **March 2006**, the CMAQAC will meet to make their recommendations and select projects.
11. By **April 15, 2006**, the CMAQAC will submit their recommendations to the Commissioner of the New Hampshire Department of Transportation.
12. The Commissioner will develop a recommendation and submit it with the CMAQAC's recommendation to the Governor's Advisory Commission on Intermodal Transportation by **April 30, 2006**.
13. The Governor's Advisory Commission on Intermodal Transportation (GACIT) select projects for inclusion in the 10 Year Transportation Improvement Plan by **May 31, 2006**. The regional planning commissions include the selected projects in their respective TIPs by **June 15, 2006** and the conformity process, where applicable, is completed by **September 2006**.

GENERAL

State applications will be submitted to RPCs for evaluation of the project and air quality documentation. All State applications will not be ranked; instead there would be a recommendation of support (or lack of) from the RPC.

Once the projects are selected, the Department will identify the years in which projects will be constructed or implemented based on the availability of funding and spending authority limitations. The recommendations on project scheduling will be included in the submittal to the GACIT.

Once projects are approved, the successful applicants will be notified and informed. Project manager from the NHDOT will contact the applicants and discuss project implementation schedules. Applicants should note that this is not a grant program and each project will be processed using federal-aid highway procedures as outlined in the TE/CMAQ Manual available to all applicants through the RPC's.

cc: Carol Murray, NHDOT
D. Jeff Brillhart, NHDOT
Jack Ferns, NHDOT
Lyle "Butch" Knowlton, NHDOT